

City of Mountain View
RFP Employee Benefits Insurance Broker & Consulting Services
Pre-Proposal Conference: Summary of Questions and Answers
Thursday, September 30, 2010 – 3:00 p.m.
Plaza Conference Room, City Hall, Mountain View, CA

1. Is the City interested in looking at the Valley Health Plan?

Answer: The City is open to learning more about new health plans.

2. Are you currently utilizing technology for online enrollment?

Answer: No.

3. Do you have any labor contracts opening up soon?

Answer: Yes. EAGLES and SEIU contracts expire June 30, 2011. MVFF and POA contracts expire June 30, 2012.

4. Is there a formal Benefits Committee that meets and includes labor groups and management?

Answer: There is not a formal committee, but the labor group representatives do get together when there are issues to discuss regarding benefits. This would include representatives from both the represented and unrepresented groups. The Department Heads do not send a representative to participate in this specific committee.

5. How often does this committee meet?

Answer: It can vary. For example, with the exploration of PERS health it was very frequent and since then the groups have not met.

6. What are your represented groups starting with the largest?

Answer: The EAGLES (approximately 172 employees) is the largest represented group mostly management level employees. SEIU represents service, clerical and technical employees (approximately 165 employees). POA (112 employees represented by the POA (87 sworn and 25 non-sworn)) and MVFF (64 employees).

The City also has various unrepresented groups (approximately 53 employees) that meet with the City. These include the Fire Managers and Professionals, Police Managers, Confidential/Information Technology Group, Department Heads, and Council Appointees.

7. Do the MOUs define a certain type of plan or carrier? For example do they include a promise of a Kaiser plan?

Answer: The language used in SEIU, EAGLES, POA and MVFF is HMO, non-HMO, PPO and POS. The Health Net POS is specially referenced but only in relation to the plan being frozen and no longer allowing future enrollment into that plan.

(Please see enclosed "medical insurance" excerpts from the SEIU, EAGLES, POA and MVFF MOU's. The full MOU documents are available on the City's website at: http://www.mountainview.gov/city_hall/emp_services/benefits_n_labor_agreements.asp)

The City does have a responsibility to meet and confer to make any changes to carriers and/or plan design.

8. How many times has the City gone through an RFP process?

Answer: To the best of our knowledge, the City has gone through the RFP process for broker services twice before; however the exact dates are unknown.

9. So you have not gone through an RFP for broker services since you've [Rebecca] been here [within past 5 years]?

Answer: No.

10. Has the current incumbent been awarded both times?

Answer: Yes.

11. Is the technology referred to in the RFP a major consideration/requirement?

Answer: Yes, whether the technology is implemented right away or developed later on, it is something the City is very interested in and pursuing.

12. Since you said you don't currently utilize online enrollment/changes, how do you do it now? How does the data transfer work?

Answer: The City processes enrollments and changes with paperwork. Enrollment forms are obtained and either faxed or emailed to the carriers or entered by HR staff into the carriers online interface. Electronic information is stored in our payroll system and hard copies are filed in the personnel files.

13. So there is no data transfer, the forms are collected and sent to the carriers where they enter the data?

Answer: Correct.

14. Does the City's current payroll system have online capability?

Answer: We recently upgraded to a web based Finance/HR/Payroll system. Even with the non-web based version, we were told that it has benefit enrollment/change capability but we would need to explore that further with the vendor. SunGard's IFAS is the product we use. <http://www.sungardps.com/en/products/ifas.aspx>

15. So if there were a change in carriers there would be a way to do a data dump of the information?

Answer: Most likely. We have the ability to run reports and export the information into Excel.

16. Why, besides cost, is the city going through an RFP process now?

Answer: The City may elect to use the RFP process when it is in the best interest of the City, typically, for purchases of commodities and services requiring best value considerations, such as warranty and performance criteria or when experience, qualifications and references are to be evaluation criteria. Low bid pricing is not the primary award criteria in an RFP. The City does not view this RFP (or any RFP) as routine process. The City is open to a consultant change if a change will result in more value for dollars spent and access to the expertise needed to meet the City's business needs.

17. What qualities, interactions, and needs, is the City looking for in a broker?

Answer: One of the City's values is to Provide Exceptional Service so we are looking to partner with a vendor that reflects the same value and provides that to our employees. We [HR] are certainly here for employees to provide face-to-face time and help them with issues but at the same time we [HR] don't think it's necessary to be handholding. We utilize our Intranet to post information and forms so that employees can find the information they need themselves but if they have issues we are here to help resolve them. However, with HIPPA and protected medical information we look to the broker and/or carrier to step in if the issue reveals medical services, conditions or treatment.

18. Does the City set a budget for benefits and bring that budget to the broker or does the City work with the proposals that the broker brings to set the budget?

Answer: Based on communications with the broker, the City estimates the budget (increases) based on normal trend, experience and current expenses. Our budget process starts in the fall. Many times the final numbers (rates) are not finalized until very close to the end of the budget process (June).

19. *In the RFP it is noted that most of the plans are renewed annually on August 1. Can you tell me what plans are not?*

Answer: There are two out of state Kaiser plans that serve retirees: Kaiser Hawaii (January 1) and Kaiser Ohio (April 1). The following two out of state plans also serve retirees but they have the same renewal date as all of our active employee plans: Kaiser Oregon/Washington (August 1) and Kaiser Colorado (August 1).

20. *The RFP process is outlined but can you tell me about the City's expectations of frequency of contact with staff, employees, meeting with council and so on?*

Answer: We expect our broker to be at the City's annual open enrollment benefits fair (July), which is about three hours long at the Municipal Operations Center. Since we have other locations, we hold one hour open enrollment meetings at the Police/Fire Administration Building and City Hall.

As far as meeting with staff we periodically need meetings for plan explanation or if there are legislative changes. At a minimum, the broker should meet with staff annually or semi-annually. This also includes resolving service issues if any arise. We also meet with the carriers on issues instead of the broker. We have that type of relationship with our carriers now and we expect that type of relationship with any new carriers.

As far as meeting with Council, staff typically meets with Council. The broker would not meet with Council.

In terms of meeting with the informal benefits committee, it's not often enough where we could say, "4 times a year." It would depend on current issues and could be (will be) more frequent with labor negotiations. Meetings with staff will also be more frequent during labor negotiations.

21. *How open are the unions open to plan changes and benefit changes?*

Answer: The City is very motivated to meet and confer with the unions regarding plan changes and benefit designs. It seems employees would be open to it as well.

22. *Who is your current broker?*

Answer: Schumacher & Walker Insurance Associates (SWIA).

23. *How is SWIA paid?* Answer: Commission. *Commission only?* Answer: Yes.

24. *Has SWIA been invited to participate in this RFP process?*

Answer: Yes.

25. Does purchasing handle the vendor approval for the RFP process?

Answer: No.

26. Who is the selection committee for the new broker?

Answer: We are not disclosing that information at this time.

27. The RFP refers to a site visit. Is that for the finalists?

Answer: Yes, after the finalists are determined the selection committee will go to the sites for a tour and to meet the staff.

28. In the RFP there is a sample contract which our legal department is currently reviewing. I'm assuming that the City is willing to go back and forth on this?

Answer: Yes.

29. Are all of the services listed in the RFP currently being provided by your current broker?

Answer: Most of the services are, but not all. For example, we want a formal wellness program. We have an informal program which includes the coming onsite to do Lunch and Learns. They also provided wellness information on their respective websites.

30. Long-Term and Short-Term Disability plans are currently handled by a different broker.

Answer: Yes, Andreini & Company. **Will it stay that way?** **Answer:** No, this RFP process will consolidate S/LTD with the broker who handles medical, dental and vision in the hopes of achieving increased savings.

31. Is the communication [regarding benefits] to employees from the broker?

Answer: It's a mix. Some is from the broker, some is from the carriers, and some is from the City. For example, the employees/retirees like the side-by-side comparison of the active/early retiree plans [Exhibit B in the RFP]. We don't have a side-by-side comparison for our retiree plans, but hope to have one eventually. The retirees require more attention and assistance from HR with their benefit needs and issues. We require eligible retirees to sign up for Medicare A and B so we can put them on a Medicare Coordinated plan.

32. Are some retirees not eligible for Medicare?

Answer: Correct, some are not. We have some employees who have been with the City for 30 years and have not contributed to the Medicare system.